

Merck Sharp & Dohme consolidates according to business rules using QlikView

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*Willem Bardoel, Controller,
Merck Sharp & Dohme*

Merck Sharp & Dohme B.V. (MSD) is the Dutch subsidiary of the US corporation Merck & Co., which ranks as one of the most important pharmaceutical enterprises in the world, with \$ 22 billion in revenue and 60,000 employees. MSD employs around 1,000 people spread between the Human Health Europe (HHE) Division and the Merck Manufacturing Division (MMD). HHE concentrates on the marketing and sales of drugs in the Dutch market. MMD is

responsible for the production of drugs for distribution in the EMEA region. It applies a complex set of rules which determine what costs are allocated to what items in the balance sheet and the profit and loss account. MSD Netherlands has to account for any differences in balance sheet items by conducting a detailed analysis. Willem Bardoel, Controller at MSD, explains, “What we needed was a solution that would allow us to analyze the data from our financial system quickly and easily, and also take account of our specific set of rules. That was a non-starter in JD Edwards, so, in 2005, we went looking for a BI application that was more in line with our needs.”

He continues, “We soon discovered that QlikView was the only BI software that could cope with our set of rules. An added bonus is that our other systems can also be linked to QlikView: Data3, our Material Resources Planning (MRP) package for controlling production and warehousing, and Excel. This versatility, which enabled data to be processed from various systems, was not our main requirement - but we did welcome it with a view to the future. What eventually clinched the decision was the proof of concept that QlikTech made for us based on our data. It proved to us that QlikView could do exactly what we wanted. So, there was no point in looking any further. At the end of 2005, we asked QlikTech to implement QlikView.”

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Set of rules

Merck & Co. uses JD Edwards World, a worldwide financial system with limited scope for analysis and reporting. The parent company uses the data from this system to make consolidations and draw up the annual financial state-

Solution Overview

Merck Sharp & Dohme

Dutch subsidiary of the US corporation Merck & Co., which ranks as one of the leading pharmaceutical enterprises in the world

Industry

Pharmaceuticals

Function

Sales, Finance

Geography

The Netherlands

Challenges

- Analyze financial data from JD Edwards World quickly and easily
- Comply with the internally used consolidation rules
- Conduct detailed analyses

Solution

Merck Sharp & Dohme deployed QlikView to more than 40 employees. With QlikView, Merck Sharp & Dohme has insight into all the relevant rules-based financial information, anytime. It can analyze product, inventory, pricing and sales data in no time - all focused on driving corporate profitability. With QlikView Server, MSD easily supports security and visibility while handling large data volumes.

Benefits

- Complied with Merck & Co.'s consolidation rules
- Simplified budget management
- Required no specialist knowledge
- Proven solution that can be linked to the future ERP system, SAP

Data Source Systems

Application: JD Edwards, Data3 (MRP)
Database: Excel



Fine-Tuning the screens

“QlikTech built a basic version, which we then refined together,” says Bardoel. “The toughest challenge during the implementation process was loading and translating the set of rules for the format of the balance sheet and the profit and loss account – but we cracked it. Once everything was up and running, QlikTech spent a day training a group of key workers from our finance and IT departments. In May 2006, the official handover took place. Our IT department took over the technical support, and some specialists in the finance department started fine-tuning the basic screens that QlikTech had built. This process is still going on. It will never stop, because the rules are changing all the time, and we are constantly coming up with new requirements and wishes.”

Bardoel explains how the screens were fine-tuned, “We began by building an application for sales analyses based upon our balance sheet and profit and loss account. That would show us the sales by product or by country, separately

and in combination. At the moment, we are busy developing a budget management application for our departmental managers. The greatest step forward is that we can now drill down into specific lines in our balance sheet and profit and loss account and view the underlying details. That used to cost a lot of time and effort, and we couldn’t immediately identify the cause of, say, certain fluctuations in the sales of a specific product. That’s all changed. QlikView gives us insight into our performance.”

Allocating access rights

QlikView is very user-friendly. “It’s easy to explain how it works, because it’s so simple to navigate,” says Bardoel. “The pathways for working out analyses are so logical. So, scarcely any training is needed. Even a non-professional learns to operate QlikView in no time. If you want to look at different screens or reports, then that’s no problem at all. You don’t have to be a computer whiz to find the information you need – or to ‘read’ the analyses, which are clear and understandable. One area that we still



need to look at is security: How do you ensure that people can only access the information they are allowed to see? In other words, how do you allocate access rights? We still need to work on this and implement these capabilities. At least, QlikView offers these capabilities in its solution.”

Bardoel does not know what the future has in store, “We are on the brink of a worldwide migration from JD Edwards and Data3 to SAP – a mammoth operation which will take shape in 2008 or 2009. We don’t know yet how it will all pan out, but there’s a fairly good chance that we will then link QlikView to SAP.”

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